

42 CFR  
440.110

P. SPEECH PATHOLOGY

Payments are based on the established fee schedule unless a lower amount is billed. The amount billed cannot exceed usual and customary charges to private pay patients. The fees are established by discounting historical billed charges and by professional judgment to encourage efficient, effective and economical services.

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Supersedes  
T.N. # 25-82      Approval Date 11/9/87      Effective Date 7/1/87

42 CFR Q. AUDIOLOGY  
440.110

Payments are based on the established fee schedule unless a lower amount is billed. The amount billed cannot exceed usual and customary charges to private pay patients. The fees are established by discounting historical billed charges and by professional judgment to encourage efficient, effective and economical services.

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F.N. # 37-87  
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42 CFR  
440.170 R. TRANSPORTATION

1. Ambulance - - Payment will be made on an established Medicaid fee schedule. The fee schedule will include base rate, mileage rate, oxygen fee and waiting time. The fee schedule will include both ground, air, and water transportation.
2. Taxi - - Payment will be based on a percentage of usual and customary billed charges.
3. Special Services - - These services include Ambucar and Servicar. Payment will be the lower of the usual and customary charge or the established fee schedule for Medicaid.
4. Bus Service - - Payment will be the rates established by contract between the Utah Transit Authority and Medicaid. If there is no contract, payment will be the same as the fares paid by the general public.

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42 CFR S. PRESCRIBED DRUGS  
440.120

Prescribed drugs will be reimbursed based on an established product cost plus a dispensing fee. The payment for individual prescriptions cannot exceed the amount billed. The amount billed must be the usual and customary charge to the private pay patient. The following methodology is used to establish Medicaid payments:

Except for special category fees, reimbursement will be the lower of:

1. the Utah maximum allowable cost (MAC) plus a reasonable dispensing fee or the provider's usual and customary charge (billed charge) to the general public;
2. the Utah estimated acquisition cost (EAC) plus a reasonable dispensing fee or the provider's usual and customary charge (billed charge) to the general public.

Federal "Upper Limit"

The federal upper limit is the maximum allowable ingredient cost reimbursement established by the Department of Health and Human Services, Health Care Financing Administration, for selected multiple-source drugs. The aggregate cost of product payment for the drugs on the federal upper limit list will not exceed the aggregate established by Health Care Financing Administration.

Average Wholesale Price

The Average Wholesale Price (AWP) is determined for each drug by the Utah contract with American Druggist, Blue Book First Data Bank. They provide a monthly update of drug prices for the Reference File. First Data Bank uses AWP from wholesalers in many states for determining AWP in specific regions.

Utah MAC

Utah MAC is the Maximum Allowable Cost reimbursement established by the Utah Department of Health, Division of Health Care Financing, for selected multiple-source (generic) drugs not appearing on the federal upper limit list. These drugs are listed in the Pharmacy Provider Manual.

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# Current

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## Utah EAC

The Utah Estimated Acquisition Cost (EAC) is currently AWP-12%. This estimate has been established using information provided by a survey developed in cooperation with the Utah Pharmacy Association and key pharmacists.

## Dispensing Fee

In setting the basic dispensing fee, the state will give consideration to costs shown on periodic operation surveys, in-house studies of dispensing costs, national and regional data, economic trends and conditions.

## Special category fee

A) Payment for insulin, birth control pills and non-legend (OTC) drugs will be the lower of:

1. Billed charge;
2. EAC + special category fee C;
3. Utah MAC + special category fee C; or
4. AWP + special category fee not to exceed the maximum on the Federal upper limit list

B) Payment for non-legend OTC antacid liquids will be the lowest of:

1. Billed charge;
2. EAC + special category fee F;
3. Utah MAC + special category fee F; or
4. AWP + special category fee not to exceed the maximum on the Federal upper limit list.

## Special Category Fee

The special category fee is a negotiated fee initially developed in cooperation with the Utah Pharmaceutical Association and other key pharmacists to apply to specific drugs historically advertised and dispensed to the general public at minimal prices. This fee may be periodically changed to reflect changing market forces.

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PRESCRIBED DRUGS

Rural Pharmacies

In recognition of lower volume and higher acquisition costs, rural pharmacies are paid a \$.50 dispensing fee differential. The differential is paid in addition to the dispensing fee paid to urban pharmacies. Rural is defined as those pharmacies located outside of Weber, Davis, Utah and Salt Lake counties.

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42 CFR  
440.165

LICENSED CERTIFIED NURSE-MIDWIFE SERVICES

Payments are based on the established fee schedule for "Y" codes unless a lower amount is billed. "Y" codes are HCPCS established specifically for the Utah Medicaid program. The amount billed cannot exceed usual and customary charges to private-pay patients. Payment for midwife services includes the physician's collaboration fee for the co-management of the case.

Rate Adjustment for Rural Areas

Effective October 1, 1991, licensed certified nurse-midwives who provide services in rural areas of the State will be paid the lower of usual and customary charges or rate equal to 112% of the established Medicaid fee schedule. Rural areas are defined as areas of the State outside of Weber, Davis, Salt Lake and Utah counties.

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Supersedes  
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1905(a)(21)  
Section 6405  
P.L. 102-239

PEDIATRIC AND FAMILY NURSE PRACTITIONERS

Approved codes listed in the physicians' Current Procedural Terminology (CPT) manual may be billed by licensed pediatric and family nurse practitioners. The approved codes will be designated by the Division of Health Care Financing. Payment for approved services will be made at the lower of the usual and customary charge or the established physician's fee schedule.

Rate Adjustment for Rural Areas

The 12% rate differential, not to exceed usual and customary charges, will be paid for services rendered in rural Utah. Rural Utah is defined as areas of the State outside of Weber, Davis, Salt Lake and Utah counties.

Billing Arrangements

When service is provided by a licensed nurse practitioner employed and working under supervision in a group practice, private office, community health center, or local health department, the supervising provider shall bill for the service according to their usual and customary fee schedule.

When service is provided by a licensed nurse practitioner working in a private independent practice, the licensed nurse practitioner shall bill according to their usual and customary fee schedule.

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Supersedes  
T.N. No. 90-31



42 CFR  
440.170

Targeted Case Management Services

Targeted Case Management services for pregnant women are paid based on the established fee schedule for one month of service. Payment is limited by the usual and customary charges of the providers.

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S.S. Act  
1915(g)

Targeted Case Management - Chronically Mentally Ill

Payments for targeted case management services to chronically mentally ill Medicaid recipients will be based on the lower of the established fee schedule or reasonable cost. Rates are established on an hourly basis. Payments under the lower of cost or fee schedule will be adjusted annually, if necessary, so that aggregate payments under the fee schedule do not exceed reasonable cost as determined by fiscal audit.

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